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T H E B E E F C A T T L E S I T U A T I O N  
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This issue contains the significant facts relating to the summer outlook for beef cattle. A separate report on the Beef Cattle Outlook will not be issued this summer

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Summary

With continued small marketings of grain-fed cattle in prospect for the late summer and fall, prices of the better grades of slaughter cattle in this period are likely to be maintained near present high levels, the Bureau of Agricultural Economics reports. In 1938, however, a considerable increase in marketings of grain-fed cattle is expected, and prices of such cattle next year are likely to average somewhat lower than in 1937.

In view of the probable strong demand for feeder cattle in prospect during the next few months and the prospects for a smaller than usual increase in total cattle slaughter in the last half of this year over the first half, prices of the lower grades of slaughter cattle this fall are not expected to decline seasonally as much as usual and may not decline at all. Prices of such cattle are expected to continue relatively high during the first half of 1938, and some seasonal advance in that period is not unlikely.

It is probable that slaughter supplies of cattle will be smaller in the last half of 1937 and in the first half of 1938 than a year earlier, when the short supplies and high prices of feed resulting from the 1936 drought caused considerable liquidation of cattle from several important producing areas. On the basis of present indications, it is likely that consumer demand for meats in the remainder of 1937 will be slightly stronger than a year earlier. The demand for beef in the next year or longer is expected to be supported by the smaller than average slaughter supplies of hogs in prospect.

The number of cattle on feed in the Corn Belt States on August 1 was about 29 percent smaller than a year earlier, and was smallest for that date in many years. In view of the favorable feed crop prospects, and the high prices prevailing for finished cattle, however, it is likely that the number of cattle that will be fed next winter will be considerably larger than that of last winter.

Cattle feeding operations in 1936-37 were generally profitable. Prices of stocker and feeder cattle purchased this fall will be much higher than those of a year earlier, but with larger supplies and lower prices of feed in prospect, the combined costs of feeder cattle and feed in the 1937-38 feeding season probably will be somewhat less than in 1936-37. Although prices received for finished cattle during the first half of 1938 may be lower than in the same period this year, the prospects for profits from cattle feeding in the coming season appear to be moderately favorable. Profits from feeding operations, however, will not be as great as in 1936-37.

Total disappearance of cattle and calves from slaughter and death losses in 1937 is expected to be larger than the combined number of calves produced and cattle and calves imported. Hence, the number of cattle and calves on farms January 1, 1938, is expected to be smaller than the number on farms January 1 this year. The number on farms at the beginning of 1937 was approximately 66,676,000 head, which was 10 percent smaller than the record high level reached at the beginning of 1934, but 7 percent larger than the 1924-33 average.

#### REVIEW OF 1936-37 SEASON.

Although slaughter supplies of cattle and calves were relatively large during the first half of 1937, prices of nearly all classes and grades of slaughter cattle advanced during this period. Further improvement in consumer demand for meats, and short supplies of hogs and of the better grades of grain-fed cattle apparently were the chief factors responsible for the price advance. Total payments by packers for cattle and calves slaughtered under Federal inspection from January through June 1937 were 14 percent greater than in the first half of 1936 and were the largest for the period since 1930.

#### Slaughter supplies large in 1936-37

In the last half of 1936 marketings of cattle and calves were unusually large as a result of liquidation caused by the 1936 drought. In the first half of 1937, inspected slaughter of cattle was only 2 percent smaller than in the first half of 1936 and inspected calf slaughter was 12 percent larger. Average weights of cattle, however, were considerably lighter than in the first half of 1936, so that the reduction in total live weight was somewhat greater than the decrease in the number of cattle slaughtered. In every month thus far in 1937, except February, cattle slaughter was smaller than a year earlier. The decrease, however, was not large until July, when inspected slaughter of cattle was 15 percent smaller than in July last year.



Inspected slaughter, total live weight, and average price paid  
by packers for cattle and calves, January - June,  
average 1924-33, annual 1934-37

Period and year	Inspected slaughter <sup>1/</sup>		Total live weight		Average price per 100 pounds paid by packers	
	Cattle	Calves	Cattle	Calves	Cattle	Calves
	Thousands	Thousands	Mil.lb.	Mil.lb.	Dollars	Dollars
Jan. - June, Av. 1924-33 .....	4,145	2,468	3,975	404	7.82	9.17
1934.....	4,779	3,109	4,506	533	4.60	4.85
1935.....	4,229	2,793	3,855	492	6.99	6.98
1936.....	4,862	2,897	4,509	520	6.56	7.64
1937.....	4,787	3,241	4,344	567	7.78	7.93
<sup>1/</sup> Bureau of Animal Industry. Excludes Government slaughter in 1934 and 1935.						

In the first half of 1937, the number of steers slaughtered under Federal inspection was slightly smaller than in the first 6 months of last year, but the number of cows and heifers slaughtered was slightly larger. Because of the very short supplies and high prices of feed grains, the proportion and number of well-finished grain fed cattle in the slaughter supply thus far in 1937 has been very small. The number of cattle fed last winter in the Corn Belt was much smaller than average. The greatest decrease in cattle feeding from a year earlier occurred in the Western Corn Belt, where the 1936 drought was most severe.

#### Cattle prices advanced sharply in 1937

Prices of the better grades of slaughter cattle recovered somewhat in the last half of 1936, after a sharp decline in the first half of the year. This advance, however, was largely seasonal in character, since prices of such cattle usually rise in the late summer and fall. But in the first half of 1937 prices of better grades of cattle continued to advance chiefly as a result of the very small market supplies of such cattle. Ordinarily prices of the better grades decline in the first half of the year. In mid-August, the top price of cattle at Chicago reached \$18 per 100 pounds, the highest price paid at that market since November 1928. For the month of July, the average price of choice and prime steers at Chicago was \$15.47 compared with \$13.12 in January and \$8.78 in July last year.

Prices of the lower grades of slaughter steers advanced slightly in the last half of 1936, whereas they usually decline during this period. From February through July 1937, prices of lower grades advanced further. The trend in prices of the lower grades, however, usually is upward in the first half of the year. Since July 1936, the rise in the price of the lower grades of slaughter steers has been much less pronounced than the advance in prices of the better grades. The spread between the Chicago price of common grade steers and that of the choice and prime grade steers in July this year was \$7.07 compared with \$2.56 in July 1936. The spread in July was the largest for the month in 16 years of record.

Prices of calves and of the lower grades of cows have been fairly steady thus far in 1937, but in July, prices of both were somewhat higher than a year earlier.

Prices of stocker and feeder cattle advanced somewhat in the last half of 1936 and in the first quarter of 1937. They were about steady in the second quarter of 1937, but rose in July and early August. The rise in prices of stocker and feeder steers in the last 12 months, however, has been much less than the advance in prices of the better grades of slaughter cattle. Although the cost of feed for finishing cattle in the last year has been very high, the margin between the cost of feeder cattle bought last fall and the prices of finished cattle in the spring and summer this year has been more than wide enough to offset the high cost of feed. Hence, cattle feeding has been generally profitable this year.

#### IMPORTS OF CATTLE AND BEEF

##### Imports of cattle increased in 1937

Total imports of dutiable cattle and calves into the United States from all countries from January through June 1937 were 10 percent larger than in the corresponding period of 1936. Practically all of the increase in numbers was made up of stocker cattle weighing less than 700 pounds imported from Mexico for further grazing and feeding, mostly in the Southwest. Such cattle comprised a considerably larger proportion of the total cattle imports in the first half of 1936 than a year earlier, and consequently the total live weight of imports in the first 6 months of 1937 was slightly less than in that period last year, despite the larger number imported. Although the number of calves and young cattle imported from Canada was increased, total imports of cattle and calves combined from that country excluding cattle imported for breeding purposes, were 4 percent smaller than a year earlier.

Imports of dutiable cattle and calves from Canada, Mexico and other countries, January - June 1936 and 1937 1/

Period	Canada	Mexico	Other countries	Total
	Number	Number	Number	Number
Jan. - June -				
1936 .....	157,922	121,528	557	280,007
1937 .....	150,964	157,292	584	308,840

United States Department of Commerce.

1/ Excludes cattle imported for breeding purposes.

The relatively high prices for stocker and feeder cattle in this country and the favorable feeding conditions in the Southwest during the winter and spring months probably accounted for the increase in cattle imports from Mexico. Supplies of slaughter cattle available for export in Canada were relatively small during the first half of 1937 because of the shortage of feed grains and the unfavorable returns from cattle feeding in 1936. Relatively high prices for cattle in Canada compared with those in this country also tended to reduce Canadian exports.

An annual import quota for all countries of 156,000 head for cattle weighing 700 pounds and over was established under the terms of the United States - Canadian trade agreement in January 1936. The duty on such cattle is 2 cents a pound for imports within the quota, and 3 cents for all additional imports in the calendar year. For the year 1936, this quota was exceeded by about 9,000 head, with Canada supplying 143,000 and Mexico 22,000 head. By August 11, this year, the quota was nearly filled, and effective August 12 the duty was increased to 3 cents per pound, subject to a rebate on imports of cattle counted in the remainder of the quota.

Imports of beef and veal smaller

Imports of beef and veal into the United States were considerably smaller in the first 6 months of 1937 than a year earlier. Imports of canned beef, the principal import item, were 15 percent smaller than in the same period of 1936.



Imports of beef and veal for consumption, January - June  
1936 and 1937

Period	: Canned beef	: Fresh beef and veal	: Pickled or cured beef and veal
	: 1,000 lb.	: 1,000 lb.	: 1,000 lb.
Jan- June	:	:	:
1936.....	50,423	2,484	1,063
1937.....	42,742	1,940	672
:	:	:	:

United States Department of Commerce.

Imports of cattle and beef in the first half of 1937 amounted to about 180 million pounds, in terms of dressed weight, compared with about 200 million pounds imported in the same period a year earlier. The dressed weight equivalent of imports in the first half of 1937 was equal to about 7 percent of the total dressed weight of cattle and calves slaughtered under Federal inspection, and to 4 or 5 percent of total slaughter in the United States.

#### PROSPECTIVE SLAUGHTER SUPPLIES

The combined slaughter of cattle and calves under Federal inspection in the first 7 months of 1937 exceeded that for commercial account in any corresponding period of record. Records of state of origin of market supplies of cattle and calves during the first half of 1937 show a very heavy movement of cattle from Texas and relatively large shipments from other southwestern States and most of the States west of the Rocky Mountains; also fairly large shipments from the East North Central and North Atlantic States. Shipments of calves also were very large from Texas and from the dairy sections of most of the middle Western States. Marketings of cattle and calves in the South also were much larger than average and reflected the increased production that has taken place in that area in recent years.

Slaughter of both cattle and calves during the first half of 1937 was somewhat larger than was expected at the end of 1936, and included a much larger than average proportion of cows and heifers. The high prices for all feeds and the short supplies of grain in many areas accounted for the heavy marketings from many States. The heavy movement from Texas, although in part caused by feed shortage in limited sections, seems to have been largely in response to the relatively high prices prevailing during the spring and early summer for all kinds of slaughter cattle.

Slaughter of cattle and calves in last half of 1937 to be reduced

Except for areas where drought conditions during the last few years have greatly reduced cattle numbers, fairly heavy marketings of both cattle and calves are not unlikely during the remainder of 1937; as prices apparently are high enough to encourage shipments. It is not expected, however, that slaughter in the last 5 months of the year will be as large as the very large slaughter in the corresponding period of 1936 when 5,183,000 cattle and 2,650,000 calves were slaughtered under Federal inspection. Slaughter of both cattle and calves during the August-December period this year probably will not be greatly different from that in the same period of 1935, when the totals under Federal inspection were 4,692,000 cattle and 2,259,000 calves.

Smaller marketings of grain-fed cattle expected this fall

The proportion of grain-fed animals in cattle slaughter during the remainder of 1937 will be much smaller than that of a year earlier when such cattle comprised an unusually large proportion of the total. Scarcity of well-finished cattle, therefore, will be an important feature in the cattle market situation this fall and will continue to reflect the general shortage and high prices of feed grains in the past 10 months. The number of cattle on feed for market in the Corn Belt States on August 1 was about 29 percent smaller than on August 1, 1936, and apparently was the smallest number on feed as of that date in many years. The decrease of 29 percent on August 1 compares with similarly estimated decreases of 33 percent on April 1 and 23 percent on January 1, 1937.

Both the Eastern and Western Corn Belt showed decreases as of August 1 in the number of cattle on feed, but the reduction in the Western area was considerably greater than that in the Eastern area. The decrease in the latter, moreover, was from a relatively large number on feed August 1, 1936, while in the Western Corn Belt it was from a relatively small number. The proportion of the Corn Belt total on feed in the Eastern Corn Belt on August 1 this year was much the largest for that season of the year in many years.

Feed situation improved this year

Favorable weather conditions throughout most of the important livestock and feed-grain producing areas this year give assurance of a relatively large production of feed crops and have resulted in marked improvement in pastures. The only area where crop and pasture conditions are still unfavorable is the greater part of the Great Plains extending from Canada to the Mexican border. The areas most adversely affected include much of Montana, western and southern North Dakota, eastern Colorado, a considerable part of South Dakota, most of Nebraska, Kansas, and Oklahoma, and large sections in both north central and southern Texas. Most of this territory suffered severely in the droughts of 1934 and 1936 and some parts also were adversely affected by drought in 1933.

The greatest decrease in cattle numbers since early 1934 has occurred in the area north of Texas. This area, therefore, is not in position to supply as large numbers of cattle for market as it has in other recent years. If feed supplies in this area were more plentiful considerable restocking would probably take place, but with feed and pastures still below average not much restocking can be done for at least another year.

#### Increased cattle feeding expected next fall and winter

Reports from cattle feeders as of August 1 indicate that they do not expect to purchase as many stocker and feeder cattle during the last 5 months of 1937 as they purchased during the corresponding period in 1936. Finishers in the States most severely affected by the 1936 drought indicate that they will purchase considerably more cattle than they did last year, but those in other States reported that they expect to buy fewer cattle. Reported intentions to buy fewer stocker and feeder cattle than a year earlier do not mean that fewer cattle will be finished for slaughter in 1938 than in 1937. Many of the stocker and feeder cattle purchased or on hand last fall were carried through the winter on maintenance rations and placed on pastures this summer to be fattened for slaughter later when feed supplies became more plentiful. These cattle will comprise a considerable part of the cattle that will be finished for slaughter in the coming year.

The relatively small number of hogs available for utilizing the comparatively large feed crops in prospect; and the current high level of cattle prices, especially the prices of well finished cattle, together with the relatively large profits obtained on feeding operations this year, will greatly stimulate interest in cattle feeding.

#### Marketings of grain-fed cattle to increase in 1938

Total slaughter of cattle and calves in 1938 is likely to be smaller than that in 1937, with most of the decrease occurring in the first half of the year. The reduction is expected to be very largely in cows and heifers and in calves. Slaughter of steers probably will not be greatly different from that in 1937 and may be slightly larger. In view of the larger feed supplies in prospect as compared with a year earlier, the number of well-finished cattle for market in 1938 will be considerably larger than in 1937. The greatest increase in marketings of such cattle over this year probably will be during the period from May to October.

In general, cattle feeding operations in 1938 will be on a more normal basis than in 1937, when feed supplies were unusually small. Cattle will be fed more grain and for longer periods. Marketings early in the year will include a large proportion of short-fed and warmed-up cattle, while those in the late spring and summer will include numerous long-fed steers. A tendency to hold back breeding stock and to rebuild herds in those areas where numbers have been reduced in recent years because of drought is likely to develop, and this will result in fewer cows, heifers, and calves going to slaughter.



## CONSUMER DEMAND FOR MEATS

Consumer demand for meats improved materially from 1933 to 1936. In the latter year retail expenditures for federally inspected meats consumed in the United States were approximately 10 percent greater than in 1935 and more than 40 percent larger than at the depression low level of 1933. The marked improvement in consumer demand for meat since 1933 has resulted from the material increase in incomes of consumers brought about by the increase in industrial activity, employment and wages. It is estimated that nonagricultural (urban) income in 1936 was 13 percent larger than in 1935 and about 38 percent greater than in 1933.

The improvement in the demand for meats since 1933 followed the marked decrease in demand and in incomes of consumers in the depression years, 1930-33. As indicated in the accompanying table, retail expenditures for meats in 1933 were about 46 percent smaller than in 1929, while nonagricultural income in 1933 was about 41 percent less than in 1929. The decrease in the demand for hog products from 1929 through 1933 was greater than that for lamb, and about the same as that for beef. Since 1933 the increase in the demand for beef appears to have been slightly greater than for other meats.

Estimated consumer expenditures for meats including lard and  
nonagricultural income, 1929-36  
(1924-29 = 100)

Year	: Pork, : including: : lard : 1/	: Beef : and : veal : 1/	: Lamb : and : mutton : 1/	: All meats : including : lard : 1/	: Non- : agricultural : income : 2/
1929.....	101.9	102.9	110.0	102.7	107.0
1930.....	90.9	89.3	103.8	90.9	100.4
1931.....	75.0	75.8	91.8	76.2	85.5
1932.....	59.8	60.3	75.0	60.8	67.6
1933.....	54.0	56.6	66.4	55.7	63.0
1934.....	61.1	67.8	69.6	64.3	71.9
1935.....	63.7	83.9	87.2	73.2	77.0
1936.....	73.8	88.2	88.8	80.5	87.0

1/ Computed from retail prices of good grade meats at New York City and apparent consumption of federally inspected meats including lard.

2/ Source: Agricultural Adjustment Administration.

In the first half of 1937, incomes of consumers were larger than a year earlier, and the demand for meats was slightly greater as measured by the quantity taken and prices paid by consumers. The apparent consumption of federally inspected meats in the first half of this year was about 2 percent larger than in the first 6 months of 1936, and the index of retail meat prices reported by United States Bureau of Labor Statistics was about 3 percent higher.

Prospects as to the probable incomes of urban consumers indicate that the demand for meats in the last half of 1937 will be slightly higher than a year earlier. This would mean little change in the demand for meats from the present level.

## PRICES

Since consumer demand for meats is not expected to change greatly from present levels during the remainder of this year and perhaps in early 1938, it seems probable that changes in prices of cattle in the next 6 months will be due chiefly to changes in supplies of cattle and also to some extent to changes in supplies of hogs.

In view of the relatively small supplies of grain-fed cattle in prospect for the remainder of 1937, it is expected that prices of well-finished slaughter cattle will be maintained near present high level during the late summer and fall. It is possible, however, that some decline in prices of short fed or "warmed up" cattle will occur during the next few months, since an increase in marketings of these kinds is in prospect.

With prospects for a large increase in the number of cattle fed next winter and spring, and for larger marketings of grain-fed cattle after the end of 1937, prices of the better grade of slaughter steers probably will decline more than seasonally in the first half of 1938. The extent and time of this decline is rather uncertain. In 1936 when marketings of fed cattle also increased materially, prices of choice and prime grade steers at Chicago declined from about \$13 in late January to \$8.50 in early June. However, slaughter supplies of all cattle in that year were large. It now seems probable that total cattle slaughter in the first half of 1938 will be considerably smaller than in the first half of 1936, or in the present year. Hence, it does not now seem likely that the decline in prices of better grades of slaughter cattle next year will be so great as in 1936.

Prices of the lower grades of cattle and prices of stocker and feeder cattle usually decline during the last half of the year, but this year conditions generally are much different from those of most other years. The increase in the total slaughter of cattle and calves in the last half of 1937 over the first half of the year is likely to be smaller than usual, and much smaller than last year and a fairly strong demand for cattle for feeding is in prospect. Moreover, slaughter supplies of hogs will be relatively small until the end of the year, at least. All of these factors indicate little weakness in prices of the lower grades of cattle and considerable strength in prices of stocker and feeder cattle in the next few months. Thus, it appears probable that prices of stocker and feeder cattle will tend to advance in the next few months rather than decline as they usually do in this period. The seasonal decline in prices of the lower grades of slaughter cattle this fall probably will be much less than usual and may not occur at all.

In the first half of 1938, prices of the lower grades of slaughter cattle may continue relatively high with some seasonal advance in this period not unlikely, since a reduction in the marketings of cows and heifers, and in the slaughter supply of lower grades of cattle, is probable.

It seems doubtful that the present unusually wide spread between prices of the better grades and prices of the lower grades of slaughter cattle will continue over any considerable period of time. This spread may be reduced considerably during the first half of 1938 by an advance in the prices of the lower grades and a decline in the price of the better grades.

## CATTLE FEEDING PROSPECTS

The supply of feed grains this year will be sufficiently large to meet the normal feeding requirements for the reduced number of livestock on farms in the coming winter and to provide for replenishment of depleted farm stocks. This year's corn crop is now indicated to be about equal to the 1928-32 average, and oats, barley, and grain sorghums also show prospects of about average crops. By mid-October, prices of feed grains probably will be much lower than those of a



year earlier. Prices of stocker and feeder cattle, on the other hand, are now higher than a year ago, and possibly will advance somewhat further by early fall.

Although prices of feeder cattle this fall will be considerably higher than a year earlier, prices of corn and other feeds will be much lower. It seems probable, therefore, that the cost of finished cattle, that is, the combined cost of the feeder cattle and feed, in 1937-38 will be somewhat less than in 1936-37. It is unlikely, however, that prices of grain-fed cattle in the first half of 1938 will average as high as in the first half of 1937. Returns from cattle feeding in the coming season, therefore, will be less profitable than last winter and spring, but losses from feeding operations are not likely to be sustained by experienced feeders.

#### LONG-TIME PRODUCTION OUTLOOK

The number of cattle on farms at the beginning of 1938 probably will be smaller than a year earlier. Although the slaughter of cattle and calves in 1937 is expected to be smaller than in 1936, the total disappearance of cattle and calves (slaughter, death losses, and exports) for this year probably will exceed the combined number of calves born and cattle and calves imported during the year.

At the beginning of 1934, the number of cattle on farms, totaling 74,262,000 head, was the largest on record, but at the beginning of each succeeding year cattle numbers have been smaller than a year earlier. A large decrease in numbers occurred from 1934 to 1935 as a result of the severe drought in 1934. On January 1, 1937, the total number of cattle on farms was 66,676,000 head or 10 percent less than at the peak in 1934. Nearly all of this reduction occurred in the area west of the Mississippi River and it has been mostly in cattle raised primarily for beef rather than in milk stock. The largest decrease in numbers from 1934 to 1937 was in the Western Corn Belt, but a substantial reduction also occurred in the Western States and in the West South Central States.

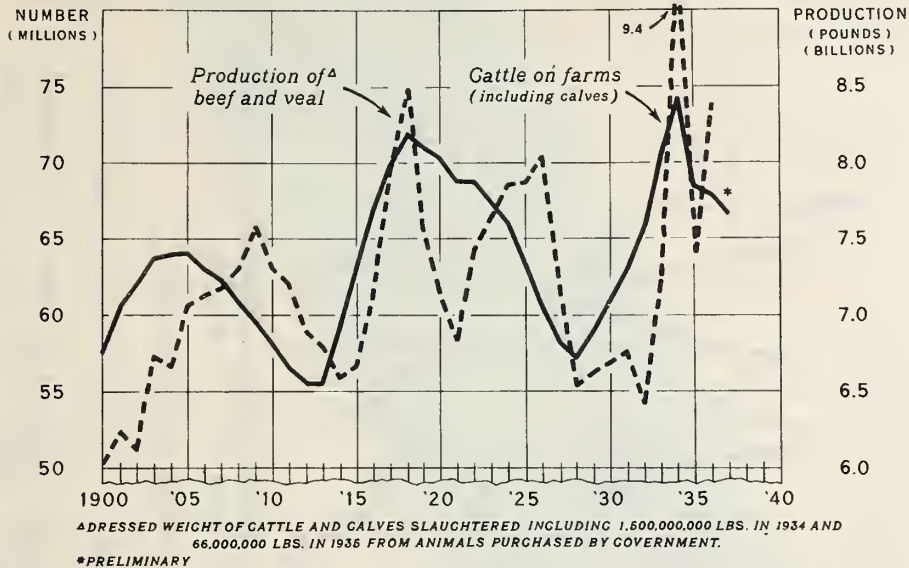
With cattle prices high in relation to those of most recent years it seems probable that there will be tendency to increase cattle numbers in the next few years if weather and feed conditions are about normal. This will be especially true in the Corn Belt, but increases in the Western States will depend chiefly upon the extent of improvement in ranges and pastures. Several years of normal precipitation may be required for Western ranges to recover the livestock carrying capacity which they had before the recent drought years.

Whether or not cattle numbers increase in the next few years will depend largely on the changes that occur with respect to the number of cattle slaughtered annually. At the present level of numbers, the yearly inspected slaughter of cattle and calves apparently can be as large as 15 million head without resulting in a decrease in numbers. In 1936 this slaughter totaled about 17 million head and was accompanied by a decrease of 1,300,000 head in cattle numbers. Inspected slaughter this year probably will be about 16 million head and will be accompanied by a decrease in numbers. If the trend in cattle numbers is to be upward in the next few years, a decrease in slaughter from present levels will be necessary.

With prospects for a reduction in total cattle slaughter in the next 2 or 3 years and with hog slaughter likely to be below average in most of this period, prices of cattle probably will continue relatively high, if demand conditions are as favorable as they now are. Consequently, the outlook for cattle producers in the next few years is generally favorable, and it is especially favorable in the area east of the Mississippi River where numbers have been reduced relatively little and where large expenditures for replacement will not be necessary as they will be in the region west of the River.

If cattle numbers should increase somewhat in the next 5 years, and if hog numbers during this time should return to the level prevailing before the 1934 drought it is possible that by the end of this period the total per capita meat production will be as large as the average for the years 1924-33. In such case, prices of cattle will be somewhat lower than they have been this year or than they will be in the next 2 or 3 years.

# ESTIMATED NUMBER OF CATTLE ON FARMS JANUARY 1, AND ESTIMATED TOTAL PRODUCTION OF BEEF AND VEAL, UNITED STATES, 1900-36

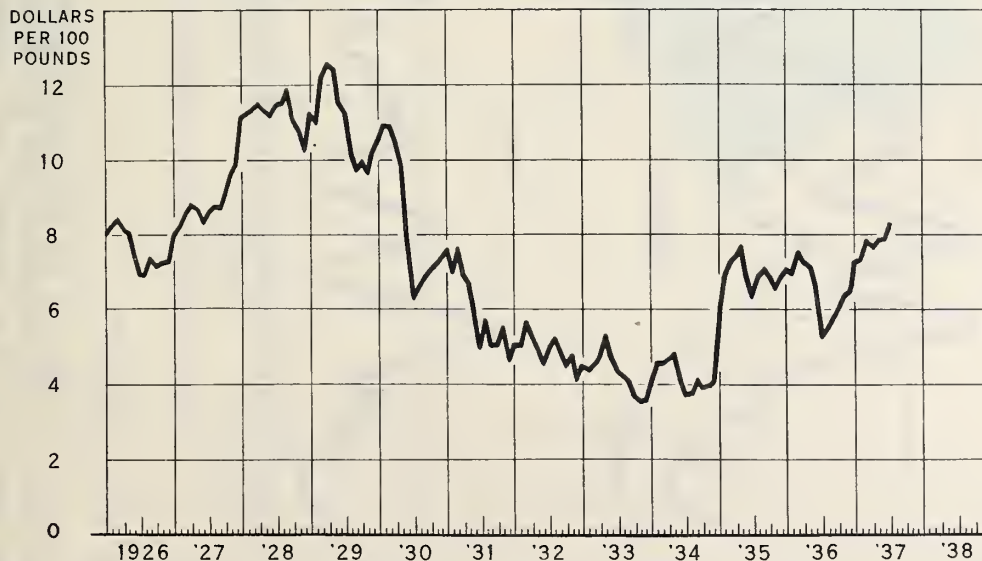


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FIGURE 1.— BOTH THE NUMBER OF CATTLE AND CALVES ON FARMS AND TOTAL BEEF AND VEAL PRODUCTION HAVE TENDED TO FLUCTUATE IN CYCLES DURING THE PAST 35 YEARS. THE CYCLICAL FLUCTUATIONS IN NUMBERS HAVE BEEN SOMEWHAT MORE REGULAR THAN THE CHANGES IN BEEF AND VEAL PRODUCTION. THE PEAK OF THE CYCLE OF BEEF AND VEAL PRODUCTION USUALLY IS REACHED FROM 2 TO 4 YEARS AFTER THE PEAK OF NUMBERS. LIKEWISE, THE LOW POINT OF NUMBERS USUALLY TENDS TO PRECEDE THE LOW POINT OF BEEF AND VEAL PRODUCTION BY A FEW YEARS.

## AVERAGE PRICES OF STOCKER AND FEEDER STEERS SHIPPED FROM KANSAS CITY, 1926-37

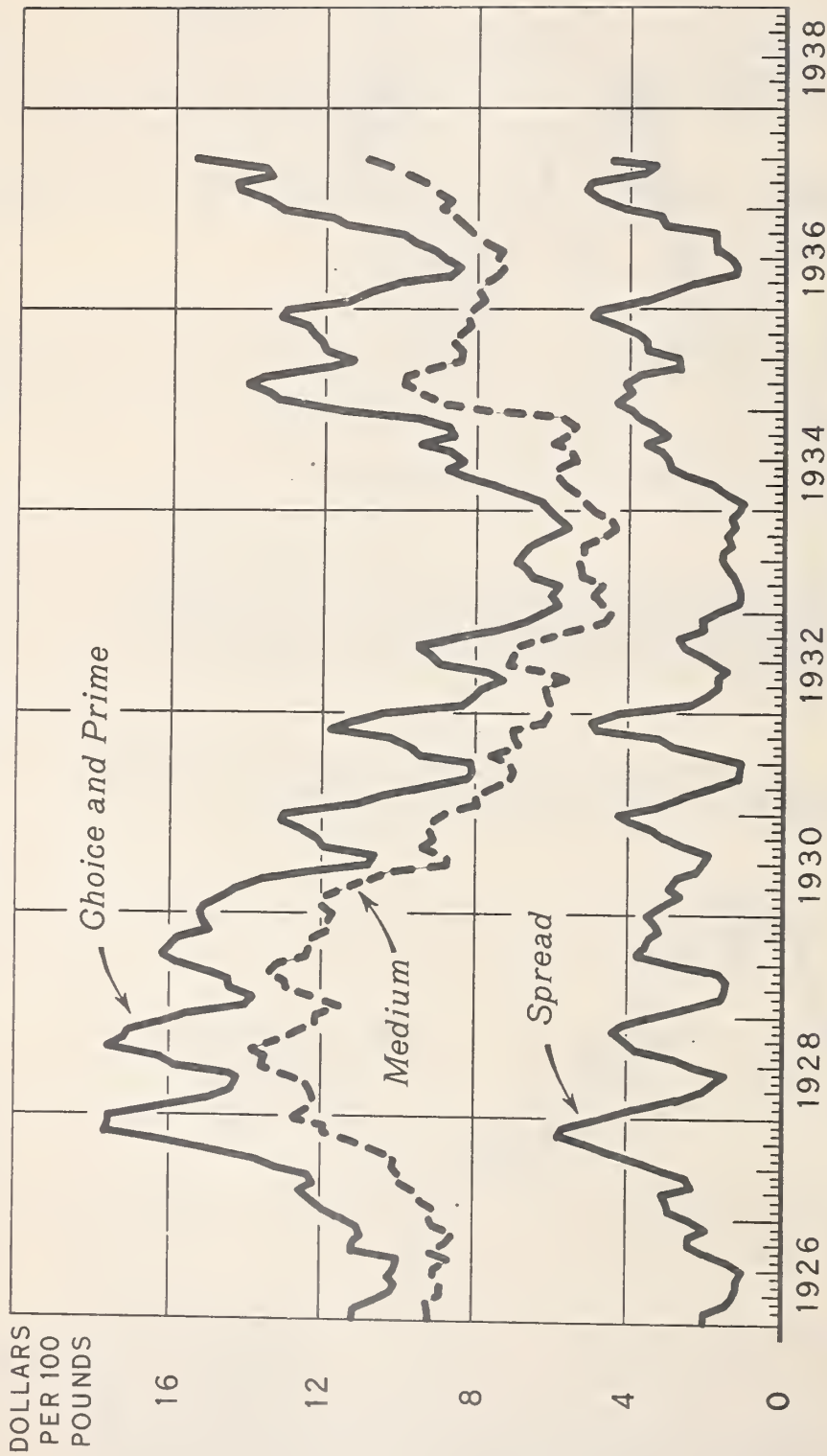


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FIGURE 2.— PRICES OF STOCKER AND FEEDER STEERS AVERAGED NEARLY \$2 PER 100 POUNDS HIGHER IN JULY 1937 THAN A YEAR EARLIER. ALTHOUGH PRICES OF SUCH STEERS ARE USUALLY LOWEST IN THE FALL BECAUSE OF INCREASED SUPPLIES AT THAT TIME, PRICES ARE EXPECTED TO REMAIN NEAR THE PRESENT LEVEL OR MAY ADVANCE FURTHER THIS YEAR BECAUSE OF THE STRONG DEMAND IN PROSPECT FOR SUCH STEERS, AND THE RELATIVELY HIGH PRICES FOR SLAUGHTER CATTLE.

BEEF STEERS: AVERAGE PRICES OF CHOICE AND PRIME, AND MEDIUM GRADES, CHICAGO, AND SPREAD BETWEEN THESE PRICES, 1926 TO DATE\*



\* SOLD OUT OF FIRST HANDS FOR SLAUGHTER, WESTERN STEERS NOT INCLUDED

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FIGURE 3.- PRICES OF CHOICE AND PRIME STEERS AT CHICAGO ADVANCED FROM MIDSUMMER 1936 TO JULY 1937 TO REACH THE HIGHEST LEVEL SINCE OCTOBER 1929. PRICES OF MEDIUM GRADE STEERS IN JULY REACHED THE HIGHEST LEVEL SINCE APRIL 1930. IN THE FIRST HALF OF 1938, PRICES OF THE BETTER GRADES OF STEERS ARE EXPECTED TO DECLINE SOMEWHAT, WHILE PRICES OF THE LOWER GRADES ARE LIKELY TO BE MAINTAINED NEAR PRESENT LEVELS, OR MAY ADVANCE SEASONALLY. THE SPREAD BETWEEN PRICES OF THE BETTER GRADES AND PRICES OF THE LOWER GRADES OF SLAUGHTER STEERS HAS BEEN RELATIVELY WIDE IN 1937.





